

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Revision of ARMIS Annual Summary Report)	
(FCC Report 43-01), ARMIS USOA Report)	
(FCC Report 43-02), ARMIS Joint Cost Report)	
(FCC Report 43-03), ARMIS Access Report)	
(FCC Report 43-04), ARMIS Service Quality)	
Report (FCC Report 43-05), ARMIS Customer)	CC Docket No. 86-182
Satisfaction Report (FCC Report 43-06),)	
ARMIS Infrastructure Report (FCC Report 43-07),)	
ARMIS Operating Data Report (FCC Report 43-08),)	
ARMIS Forecast of Investment Usage Report)	
(FCC Report 495A), and ARMIS Actual Usage of)	
Investment Report (FCC Report 495B) for Certain)	
Class A and Tier 1 Telephone Companies)	

ORDER

Adopted: December 17, 2003

Released: December 17, 2003

By the Acting Chief, Industry Analysis and Technology Division:

I. INTRODUCTION

1. In this Order, we revise several of the Automated Reporting Management Information System (ARMIS) reports¹ to implement Commission orders.² In addition, we clarify definitions and descriptions in these reports to ensure consistency among reports and to improve the understanding of existing requirements. Finally, we adopt other minor, technical changes to the ARMIS reports pursuant

¹ The ARMIS reporting requirements were established by the Commission in 1987 to facilitate the timely and efficient analysis of carrier costs and revenue, to provide an improved basis for audits and other oversight functions, and to enhance the Commission's ability to quantify the effects of alternative policy proposals. Additional ARMIS Reports were added in 1991 and 1992. Carriers must submit the ARMIS reports to the Commission annually on or before April 1.

² See *2000 Biennial Regulatory Review - Comprehensive Review of the Accounting Requirements and ARMIS Reporting Requirements for Incumbent Local Exchange Carriers: Phase 2, et al.*, CC Docket Nos. 00-199, 99-301, 97-212, 80-286, Report and Order in CC Docket Nos. 00-199, 97-212, and 80-286, Further Notice of Proposed Rulemaking in CC Docket Nos. 00-199, 99-301, and 80-286, 16 FCC Rcd 19911 (2001), Errata, 17 FCC Rcd 768 (2002), (*Phase 2 Report and Order*), on recon., 17 FCC Rcd 4766 (2002) (*Phase 2 Reconsideration Order*); *2000 Biennial Regulatory Review - Comprehensive Review of the Accounting Requirements and ARMIS Reporting Requirements for Incumbent Local Exchange Carriers: Phase 2, et al.*, CC Docket Nos. 00-199, 99-301, 80-286, WC Docket No. 02-269, Order, 17 FCC Rcd 23243 (2002) (*Accounting Suspension Order*); *State Joint Conference on Accounting Issues*, Order, 18 FCC Rcd 12636 (2003) (*Accounting Suspension Order Extension*).

to the authority delegated to the Bureau in the *ARMIS Order*³ and section 0.291 of the Commission's rules.⁴ Because these changes are minor and, in most cases made pursuant to the recommendations of the carriers filing the reports, we find good cause to conclude that notice and comment procedures of the Administrative Procedure Act are unnecessary.⁵

II. DISCUSSION

A. General

2. This Order implements changes to ARMIS reports as necessitated by Commission orders and provides improved definitions, descriptions, and instructions that will lead to greater clarity and consistency in reporting by incumbent local exchange carriers. In the following sections, we discuss the more important modifications. The Appendix contains a complete listing of the revisions that we make to ARMIS reports. Detailed instructions for the completion of the reports, which incorporate the changes made in this Order, are available for public inspection in the Commission's Reference Information Center at Portals II, 445 Twelfth Street, S.W., Room CY-A257, Washington, D.C. 20554 and from Qualex International, Portals II, 445 Twelfth Street, S.W., CY-B402, Washington, D.C. 20554. Copies of the detailed instructions may also be obtained over the Internet, from the Commission's web site, at the web address: <<http://www.fcc.gov/wcb/armis/instructions/>>.

B. FCC Report 43-01 – The Annual Summary Report

3. FCC Report 43-01, the Annual Summary Report, summarizes the carriers' accounting and cost allocation data prescribed in Parts 32, 36, 64, 65, and 69 of the Commission's rules.⁶ In order to ensure that this report reflects changes made by the *Phase 2 Report and Order*,⁷ we add and eliminate rows associated with certain Class A Accounts in Table I – Cost and Revenue – Class A Account Level Reporting. Thus, we remove Rows 1050, 1340, 1350, 1360, 1870, and 1881, and add Row 1365, Non-operating Income and Expenses, and Row 1865, Other Long-term Liabilities and Deferred Credits. To incorporate Class B Account changes made by the *Phase 2 Report and Order*,⁸ we modify Table I – Cost and Revenue – Class B Account Level Reporting, by removing Rows 1870 and 1871, and by adding Row 1365, Non-operating Income and Expenses, and Row 1865, Other Long-term Liabilities and Deferred

³ *Automated Reporting Requirements for Certain Class A and Tier 1 Telephone Companies (Parts 31, 43, 67, and 69 of the FCC's Rules)*, CC Docket No. 86-182, Report and Order, 2 FCC Rcd 5770 (1987), *modified on recon.*, 3 FCC Rcd 6375 (1988) (*ARMIS Order*).

⁴ 47 C.F.R. § 0.291. In this Order, we revise or clarify the following six ARMIS Reports: FCC Report 43–01, the Annual Summary Report, FCC Report 43–02, the USOA Report, FCC Report 43–03, the Joint Cost Report, FCC Report 43–04, the Access Report, FCC Report 43–05, the Service Quality Report, and FCC Report 43-07, the Infrastructure Report. We make no changes to FCC Report 43-06, the Customer Satisfaction Report, FCC Report 43-08, the Operating Data Report, FCC Report 495A, the Forecast of Investment Usage Report, and FCC Report 495B, the Actual Usage of Investment Report.

⁵ See 5 U.S.C. § 553(b)(3)(B) (providing that notice and comment are not required “when the agency for good cause finds (and incorporates the finding and a brief statement therefore in the rules issued) that notice and public procedure thereon are impractical, unnecessary or contrary to the public interest.”)

⁶ 47 C.F.R. Parts 32, 36, 64, 65, and 69.

⁷ *Phase 2 Report and Order*, 16 FCC Rcd at 19928, para. 42.

⁸ *Id.* at 19928, para. 42, 19942-43, paras. 76-78.

Credits. All instructions affected by the deletion and consolidation of the Class A and Class B Accounts are modified accordingly. Thus, in addition to deleting instructions for rows removed, we modify instructions for Rows 1020, 1030, 1040, 1090, 1140, 1160, 1290, 1330, 1390, 1510, 1640, 1740, 1750, and 1830. Finally, we make clarifying changes to instructions for Row 1970. In Table III, Pole and Conduit Rental Calculation Information, we revise the instructions for Row 503, General & Administrative Expense.⁹ Part I of the Appendix to this Order contains revisions to this report.

C. FCC Report 43-02 - The USOA Report

4. FCC Report 43-02, the Uniform System of Accounts (USOA) Report, provides the annual operating results of the carriers' activities for accounts as specified in the USOA.¹⁰ In accordance with the *Phase 2 Report and Order*,¹¹ we eliminate rows associated with certain Class A Accounts in Table B-1, Balance Sheet Accounts. Thus, we remove Rows 1130 - 1160, 1180 - 1210, 1290 - 1330, 1401, 1402, 1407, 1408, 1437, 1439, 2215, 2215.1, 2215.2, 2215.3, 2231.1, 2231.2, 2425, 3400, 3420, 3500, 3600, 4010, 4020, 4030, 4050, 4060, 4120, 4210 - 4270, 4310, and 4360. In the same table, we change row titles for Rows 1438, 2211, 2341, 2424, and add the following new rows: Row 1170, Receivables, Row 1171, Allowance for doubtful accounts, Row 2212.1, Circuit switching, Row 2212.2, Packet switching, Row 2232.1, Electronic circuit, Row 2232.2, Optical circuit, Row 2690.1, Network software, Row 2690.2, General purpose computer software, Row 4000, Current accounts and notes payable, and Row 4300, Other long-term liabilities and deferred credits. Finally, in the same table, we change Row 420 to Row 4200, Long-term debt and funded debt. We modify, accordingly, all instructions affected by the deletion and consolidation of the Class A Accounts. Thus, in addition to deleting instructions for rows removed, we modify instructions for Rows 120, 150, 2210, 340, 410, 430, and 450. For new Class A subaccounts that have been added to this table by the *Phase 2 Report and Order*,¹² we add instructions for Row 2212, Digital Electronic Switching, Row 2232, Circuit Equipment, and Row 2690, Intangibles.

5. In Table B-2, Statement of Cash Flows, we clarify the instructions for Rows 0130, 0140, and 0150. As required by the *Phase 2 Report and Order*,¹³ we delete Rows 0301 through 0330, 0401 through 0430, 0440, 0450, and 0460, in Table B-3, Investment in Affiliates and Other Companies. Likewise, we delete Columns (aa) through (ao), and modify the column section titles of existing Account 1401/1402, Account 1160, and Account 1180. We add a new Column (q), Total, as a clarification. Finally, we make row and column instructions changes to reflect the table deletions and clarification.

6. We implement the *Phase 2 Report and Order*¹⁴ in Table B-5, Analysis of Entries in Accumulated Depreciation, by deleting Rows 0190, 0230, 0240, 0250, 0260, 0300, 0310 and 0440, by changing titles of Rows 0180, 0220, 0290, and 0430, and by adding Row 0235, Digital electronic switching – circuit, Row 0237, Digital electronic switching – packet, Row 0305, Circuit equipment –

⁹ *Id.* at 19928, para. 41.

¹⁰ 47 C.F.R. Part 32.

¹¹ *Phase 2 Report and Order*, 16 FCC Rcd at 19924-28, paras. 27-43.

¹² *Id.* at 19936, paras. 58, 61.

¹³ *Id.* at 19928, para. 42.

¹⁴ *Id.* at 19924, para. 29, 19928, paras. 42, 43, 19936, para. 58, 19937, para. 61.

electronic, and Row 0307, Circuit equipment – optical. We modify, accordingly, all instructions affected by the Class A Account changes. Thus, we delete instructions for rows removed, modify instructions for row title changes, add instructions for the new rows, and revise the instructions for Rows 0270 and 0320, and for Column (f).

7. As required by the *Phase 2 Report and Order*,¹⁵ we modify Table I-1, Income Statement Accounts, by deleting Rows 5002 - 5004, 5050, 5069, 5084, 5100 - 5169, 5200, 5240 - 5270, 5301, 5302, 6215, 6425, 6612, 6710, 6711, 6712, 6721 - 6728, 7110 - 7160, 7310 - 7370, 7410 - 7450, 7510 - 7540, and 7610 - 7640, and by changing row titles for Rows 5060, 6110, 6120, 6210, 6211, 6212, 6220, 6230, 6310, 6341, 6410, 6424, 650, 6510, 6530, 6540, 690, 6610, 6611, 700, 6790, 7200, 790, 615, 625, 635, 6121 - 6124, 6211, 6212, 6231, 6232, 6311 - 6362, 6411 - 6441, 6511, 665, 6531 - 6533, 675, 685, 6561 - 6565, 6611, 6613, and 6621 - 6623. Likewise, as required by the *Phase 2 Report and Order*,¹⁶ we add Row 6212.1, Circuit switching expense, Row 6212.2, Packet switching expense, Row 6232.1, Electronic circuit expense, and Row 6232.2, Optical circuit expense. As required by both the *Phase 2 Report and Order*,¹⁷ and the *Accounting Suspension Order*,¹⁸ we add Row 526, Miscellaneous revenue, and Row 527, Total Miscellaneous Revenues. Further, we change Row 510 to Row 5001, Basic area revenue, Row 525 to Row 5100, Long distance message revenue, and Row 5080 to Row 522, Network Access Services Revenues, in accordance with the *Phase 2 Report and Order*,¹⁹ and its *Errata*.²⁰ For new Class A subaccounts that have been added to this table by the *Phase 2 Report and Order*,²¹ we add instructions for Row 6212, Digital Electronic Switching, and Row 6232, Circuit Equipment. We modify, accordingly, all instructions affected by Class A Account changes. Thus, we delete instructions for rows removed, add instructions for the new rows, revise the general instruction for this table, revise the instructions for Rows 520, 5080, 530, 6210, 710, and make clarifying changes to the instructions for Row 790.

8. In Table I-6, Special Charges, we clarify the title for Row 0270 and implement the *Phase 2 Report and Order*,²² by revising the instructions for Rows 0100, 0200, 0220, 0240, and 0250, and making changes to section definitions throughout the instructions. Likewise, in Table I-7, Donations or Payments for Services Rendered by Persons Other Than Employees, we modify the section definition for Rows 1501 through 1598. Part II of the Appendix to this Order contains revisions to this report.

¹⁵ *Id.* at 19924-28, paras. 29-43.

¹⁶ *Id.* at 19936-37, paras. 58-61.

¹⁷ *Id.* at 19926, para. 36.

¹⁸ *Accounting Suspension Order*, 17 FCC Rcd at 23245, para. 5, suspended the effective date of these changes to July 1, 2003. The *Accounting Suspension Order Extension*, 18 FCC Rcd at 12636, para. 4, subsequently extended to January 1, 2004, the effective date of these changes.

¹⁹ *Phase 2 Report and Order*, 16 FCC Rcd at 19925, para. 33, 19928, para. 42.

²⁰ *Errata*, 17 FCC Rcd 768, 769, para. 6 (2002).

²¹ *Phase 2 Report and Order*, 16 FCC Rcd at 19936-37, paras. 58-61.

²² *Id.* at 19928, para. 42.

D. FCC Report 43-03 - The Joint Cost Report

9. FCC Report 43-03, the Joint Cost Report, details carriers' regulated and nonregulated cost and revenue allocations by study area, pursuant to section 64.901 of the Commission's rules.²³ In accordance with the *Phase 2 Report and Order*,²⁴ we modify Table I, Regulated/Nonregulated Data, by removing Rows 5002 - 5004, 5050, 5069, 5084, 5100 - 5169, 5200, 5240 - 5270, 5301, 5302, 6215, 6425, 6612, 6710, 6711, 6712, 6721 - 6728, 7110 - 7160, 7310 - 7370, 7510 - 7540, 7610 - 7640, 1439, 2215, 2425, 3400, 3420, 3500, 3600, 4120, 4310, and 4360. Also, as a result of the *Phase 2 Report and Order*,²⁵ we add Row 4300, Other long-term liabilities and deferred credits. Further, in compliance with the *Phase 2 Report and Order*²⁶ and the *Accounting Suspension Order*,²⁷ we add Row 526, Miscellaneous revenue, and Row 527, Total Miscellaneous Revenues. As a consequence of the *Phase 2 Report and Order*,²⁸ we change the titles of numerous rows in this table. Other mandated changes include the following row replacements: Row 510 to Row 5001, Basic area revenue; Row 525 to Row 5100, Long distance message revenue, and Row 5080 to Row 522, Network access services revenues.²⁹ Finally, we make additional changes of a clarifying nature to a number of section titles, and remove the "N/A" from Column (m), Subject to Separations, Row 3410. We modify, accordingly, all instructions affected by the Class A Account changes. Thus, we delete instructions for rows removed, add instructions for the new rows, and revise the instructions for Rows 520, 530, 6210, 720, 2210, 370, and 495. In addition, we clarify instructions for Column (m), and change the definitions of Columns (c), (d), (e), and (f).³⁰ Part III of the Appendix to this Order contains revisions to this report.

E. FCC Report 43-04 - The Access Report

10. FCC Report 43-04, the Access Report, details carriers' revenues, expenses, taxes, plant in service, other investment and depreciation reserves by study area, pursuant to section 43.21(f) of the Commission's rules.³¹ In accordance with the *Phase 2 Report and Order*,³² we modify Table I, Separations and Access Data, by removing Rows 4013, 3220, 3230, 3240, 3250, 3260, and 3270. Further, we update the Allocation Reference Table, and remove the "N/A" from the data fields for Column (c), State, Rows 4010, 4011, and 4012. Finally, to provide further clarification, we require that

²³ 47 C.F.R. § 64.901.

²⁴ *Phase 2 Report and Order*, 16 FCC Rcd at 19924-28, paras. 29-43, 19936-37, paras. 58-61.

²⁵ *Id.* at 19928, para. 42.

²⁶ *Id.* at 19926, para. 36.

²⁷ *Accounting Suspension Order*, 17 FCC Rcd at 23245, para. 5, suspended the effective date of these changes to July 1, 2003, which was subsequently extended to January 1, 2004, by the *Accounting Suspension Order Extension*, 18 FCC Rcd at 12636, para. 4.

²⁸ *Id.* at 19924-28, paras. 29-43.

²⁹ *Id.* at 19925, para. 33; 19928, para. 42; Errata, 17 FCC Rcd 768, 769, para. 6 (2002).

³⁰ *Implementation of Further Cost Allocation Uniformity*, Memorandum Opinion and Order, 8 FCC Rcd at 4665, para. 9 (1993).

³¹ 47 C.F.R. § 43.21(f).

³² *Phase 2 Report and Order*, 16 FCC Rcd at 19925, para. 35, 19928, para. 42.

data fields for Row 7330, Corporate Operations Expense – EAS – Directly Assigned Exchange, Columns (i) through (o) shall be populated with “N/A.” We modify, accordingly, all instructions affected by the Class A Account changes. Thus, we delete instructions for rows removed and modify the instructions for Rows 4010, 4011, 4012, 4014, and 3430. In addition, we revise Item 3 in the report’s General Instructions, and clarify instructions for Row 6230. Part IV of the Appendix to this Order contains the revisions to this report.

F. FCC Report 43-05 - The Service Quality Report

11. FCC Report 43-05, the Service Quality Report, measures carrier trends in service quality under price cap regulation by study area, pursuant to section 43.21(g) of the Commission’s rules.³³ In this order we make several minor clarifying changes to this report. Specifically, in Table IV – Total Switch Downtime, column instructions for the definition of “Switch Downtime,” and in Table IV-A – Occurrences of Two Minutes or more Duration Downtime, General Instructions, we clarify the definition of switch downtime to require *complete* loss of all call processing capability. Also, in Table IV-A, we revise Column (t), Cause, to clarify that the definition in item 01 includes hardware changes, as well as software and firmware changes. Part V of the Appendix to this Order contains the revisions to this report.

G. FCC Report 43-07 - The Infrastructure Report

12. FCC Report 43-07, the Infrastructure Report, details carrier trends in telephone industry infrastructure development under price cap regulation by study area, pursuant to section 43.21(i) of the Commission’s rules.³⁴ In accordance with the *Phase 2 Report and Order*,³⁵ we modify Table I, Switching Equipment, by changing Rows 0150 and 0160 to reflect the renaming of “analog” switches and lines to “non-digital” switches and lines. Also, we make clarifying changes to Table II – Transmission Facilities, by modifying language in several of the row instructions. We make these changes to improve consistency in grammatical usage among the instructions, and to refine the terminology used in describing the data this table is designed to capture. Thus, we modify the section instructions entitled Loop Plant - Central Office Terminations, and the instructions for Rows 0370 - 0470. Part VI of the Appendix to this Order contains the revisions to this report.

H. Unbundled Network Elements

13. Informal contact with the reporting carriers indicates that ARMIS access line data in several of the ARMIS reports may also contain unbundled network element (UNE) quantities. However, it also appears that the carriers include UNE data in access line data in an inconsistent manner. Accordingly, we direct that any row/column data entry which contains UNE data be accompanied by an explanatory footnote identifying the types of UNEs (e.g., “UNE-P”) that are included. We require these clarifying footnotes in order to allow the public and this Commission to better understand the data submitted in our ARMIS reports.

³³ 47 C.F.R. § 43.21(g).

³⁴ 47 C.F.R. § 43.21(i).

³⁵ *Phase 2 Report and Order*, 16 FCC Rcd at 19928, para. 43.

III. PAPERWORK REDUCTION ACT

14. The modifications to the information collections contained herein are contingent upon approval of the Office of Management and Budget.

IV. ORDERING CLAUSE

15. Accordingly, IT IS ORDERED, pursuant to the authority contained in sections 1, 4(i), 4(j), 201-205, 215, 218, 219, and 220 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151, 154(i), 154(j), 201-205, 215, 218, 219, and 220, and sections 0.91 and 0.291 of the Commission's rules, 47 C.F.R. §§ 0.91 and 0.291, that FCC Report 43-01, the Annual Summary Report, FCC Report 43-02, the USOA Report, FCC Report 43-03, the Joint Cost Report, FCC Report 43-04, the Access Report, FCC Report 43-05, the Service Quality Report, and FCC Report 43-07, the Infrastructure Report ARE REVISED, as set forth above and in the Appendix to this Order, effective for filings due April 1, 2004.

FEDERAL COMMUNICATIONS COMMISSION

Alan I. Feldman
Acting Chief, Industry Analysis and Technology Division

PART I — Summary of changes to FCC Report 43-01 (The Annual Summary Report)**A. Table I – Cost and Revenue***Report Definition – Form (Class A Account Level Reporting)*

1. The following rows are deleted: 1050, 1340, 1350, 1360, 1870, and 1881.
2. The following rows are added:
 - a. Row 1365 – Non-operating Income and Expenses, and
 - b. Row 1865 – Other Long-term Liabilities and Deferred Credits.
3. The following row title is changed: Row 1160 – “Corporate Operations” to “General & Administrative.”

Report Definition – Form (Class B Account Level Reporting)

1. The following rows are deleted: 1870 and 1881.
2. The following rows are added:
 - a. Row 1365 – Non-operating Income and Expenses, and
 - b. Row 1865 – Other Long-term Liabilities and Deferred Credits.
3. The following row title is changed: Row 1160 – “Corporate Operations” to “General & Administrative.”

Report Definition – Row/Column Instructions

1. The following row instructions are deleted: 1050, 1340, 1350, 1360, 1870, and 1881.
2. Row 1020 – The definition of this row is revised to read: “Network Access Services - The total of Accounts 5081 through 5083.”
3. Row 1030 – The definition of this row is revised to read: “Toll Network Services - The total of Account 5100.”
4. Row 1040 – The definition of this row is revised to read: “Miscellaneous - The total of Accounts 5200 and 5230 (excluding nonregulated directory revenue). For those carriers reporting at the Class B account level, enter the total of Account 5200.”
5. Row 1090 – The definition of this row is revised to read: “Total Operating Revenues - The total of Rows 1010 through 1045 less Row 1060.”
6. Row 1140 – The definition of this row is revised to read: “Customer Operations Marketing - The total of Accounts 6611 and 6613. For those carriers reporting at the Class B account level, enter the total of Account 6610.”

Summary of Changes
FCC Report 43-01

December 2003

APPENDIX
Page 2 of 21

7. Row 1160 – The definition of this row is revised to read: “General & Administrative - The total of Accounts 6720 and 6790.”
8. Row 1290 – The definition of this row is revised to read: “Other Operating Income/Losses - This amount shall contain the net of Accounts 7100 and 7990.”
9. Row 1330 – The definition of this row is revised to read: “Extraordinary Items (Revenue) - The total of Account 7600. Amounts excluded from ratemaking are removed in Row 1370. A positive value represents an income and a negative value represents a loss.”
10. Row 1365 – The definition of this row is added: “Non-operating Income and Expenses - The total of Account 7300. A positive value represents an income and a negative value represents a loss.”
11. Row 1390 – The definition of this row is revised to read: “Total Non-operating Items (Expense) - The total of Row 1370 less Rows 1320, 1330, and 1365. A positive amount represents an expense and a negative value represents income.”
12. Row 1510 – The definition of this row is revised to read: “Fixed Charges - Enter on this row only those amounts from Account 7500 that are attributable to operating fixed charges. The amount of operating fixed charges are obtained from total fixed charges less fixed charges attributable to non-operating net investment. Non-operating fixed charges are calculated by taking the ratio of non-operating net investment to the total net investment times total fixed charges.”
13. Row 1640 – The definition of this row is revised to read: “Central Office Equipment-Switching - The total of Accounts 2211 and 2212.”
14. Row 1740 – The definition of this row is revised to read: “Investment in Nonaffiliated Companies - Enter the amounts from Account 1410 that are attributable to the acquisition cost of the Company’s investment in securities issued or assumed by nonaffiliated companies and individuals, and also its investment advances to such parties and special deposits of cash for more than one year from date of deposit. The amount directly related to Class B Rural Telephone Bank Stock shall be included in the rate base. Amounts excluded from ratemaking are removed in Row 1780.”
15. Row 1750 – The definition of this row is revised to read: “Other Deferred Charges - The balance of Account 1438. Amounts excluded from ratemaking are removed in Row 1780.”
16. Row 1830 – The definition of this row is revised to read: “Accumulated Amortization - The total of Account 3410. For those carriers reporting at the Class B account level, enter the total of Account 3400.”
17. Row 1865 – The definition of this row is added: “Other Long-term Liabilities and Deferred Credits – The balance of Account 4300. Amounts excluded from ratemaking are removed in Row 1780.”
18. Row 1970 – The definition of this row is revised to read: “Common Line Support-Long Term - Enter the amount of long-term support (LTS), which is a portion of the carrier’s Universal Service contribution payment submitted to NECA pursuant to Section 69.612(a). The amount reported in this row is calculated as follows: Total Interstate and International End User Telecommunications

Revenue (less International Exception Revenue) from January 1, 2002 to December 31, 2002 times 0.006715 (the LTS portion of the annualized Universal Service contribution factor). The revenues to be used in this calculation are as reported to NECA on April 1, 2003 on FCC Form 499-A, line 420, columns (d) + (e). This item is reported as a negative amount. **Note:** Carriers that are in the Common Line Pool will report zero.”

B. Table III – Pole and Conduit Rental Calculation Information*Report Definition – Row/Column Instructions*

1. Row 503 – The definition of this row is revised to read: “General & Administrative Expense – Account 6720.”

PART II — Summary of changes to FCC Report 43-02 (The USOA Report)**A. Table B-1 – Balance Sheet Accounts***Report Definition – Form*

1. The following rows are deleted: 1130 – 1160, 1180 – 1210, 1290 – 1330, 1401, 1402, 1407, 1408, 1437, 1439, 2215, 2215.1, 2215.2, 2215.3, 2231.1, 2231.2, 2425, 3400, 3420, 3500, 3600, 4010, 4020, 4030, 4050, 4060, 4120, 4210 – 4270, 4310, and 4360.
2. The following row titles are changed:
 - a. Row 120 – “Total Noncash Current” to “Total Noncash Current Assets”,
 - b. Row 1438 – “Deferred maintenance and retirements” to “Deferred maintenance, retirements and other deferred charges”,
 - c. Row 2211 – “Analog electronic switching” to “Non-digital switching”,
 - d. Row 2341 – “Large PBX” to Large private branch exchange”, and
 - e. Row 2424 – “Submarine cable” to “Submarine and deep sea cable.”
3. The following row titles are added:
 - a. Row 1170 – Receivables,
 - b. Row 1171 – Allowance for doubtful accounts,
 - c. Row 2212.1 – Circuit switching,
 - d. Row 2212.2 – Packet switching,
 - e. Row 2232.1 – Electronic circuit,
 - f. Row 2232.2 – Optical circuit,
 - g. Row 2690.1 – Network software,
 - h. Row 2690.2 – General purpose computer software,
 - i. Row 4000 – Current accounts and notes payable, and
 - j. Row 4300 – Other long-term liabilities and deferred credits.
4. Row 420 is changed to 4200 – Long-term debt and funded debt.

Report Definition – Row/Column Instructions

1. The following row instructions are deleted: 1120, 1280, 2215, 2231, 3400, and 420.
2. Row 120 – The definition of this row is revised to read: “Total Noncash Current Assets - This amount equals the total of Rows/Accounts 1170 - 1171 + 1220.”
3. Row 150 – The definition of this row is revised to read: “Total Noncurrent Assets - This amount equals the total of Rows/Accounts 1406 through 1500.”
4. Row 2212 – The definition of this row is added to read: “Digital Electronic Switching – This amount equals the total of Rows/Accounts 2212.1 and 2212.2.”
5. Row 2210 – The definition of this row is revised to read: “Central Office - Switching - This amount equals the total of Rows/Accounts 2211 and 2212.”

6. Row 2232 – The definition of this row is added to read: “Circuit Equipment – This amount equals the total of Rows/Accounts 2232.1 and 2232.2.”
7. Row 2690 – The definition of this row is added to read: “Intangibles – This amount equals the total of Rows/Accounts 2690.1 and 2690.2.”
8. Row 340 – The definition of this row is revised to read: “Total Depreciation and Amortization - This amount equals the total of Rows/Accounts 3100, 3200, 3300, and 3410.”
9. Row 410 – The definition of this row is revised to read: “Total Current Liabilities - This amount equals the total of Rows/Accounts 4000 through 4130.”
10. Row 430 – The definition of this row is revised to read: “Total Other Liabilities and Deferred Credits - This amount equals the total of Rows/Accounts 4300 through 4370.”
11. Row 450 – The definition of this row is revised to read: “Total Liabilities and Stockholders' Equity - This amount equals the total of Rows 410 + 4200 + 430 + 440. This amount must also equal Row 360.”

B. Table B-2 – Statement of Cash Flows*Report Definition – Row/Column Instructions*

1. Row 0130 – The definition of this row is revised to read: “Deferred Income Taxes-Net - If the sum of these accounts for the current reporting period is a debit amount, enter that amount as a positive number. If the amount is a credit amount, enter it as a negative number.”
2. Row 0140 – The definition of this row is revised to read: “Unamortized Investment Tax Credit-Net - If the amount for this account for the current reporting period is a debit amount, enter that amount as a positive number. If the amount is a credit amount, enter it as a negative number.”
3. Row 0150 – The definition of this row is revised to read: “Allowance for Funds Used During Construction - Enter the amount for this account for the current reporting period as a negative number.”

C. Table B-3 – Investments in Affiliates and Other Companies*Report Definition – Form*

1. The following rows are deleted: 0301 through 0330, 0401 through 0430, 0440, 0450, and 0460.
2. The following columns are deleted: (aa) through (ao).
3. The following column is added: (q) – Total.

4. The following column sections are changed:
 - a. "Account 1401/1402" to "Investment in Affiliated and Nonaffiliated Companies",
 - b. "Account 1160" to "Temporary Investments", and
 - c. "Account 1180" to "Account 1170 – Receivables".

Report Definition – Row/Column Instructions

1. The following row instructions are deleted: 0301 through 0330, 0401 through 0430, 0440, 0450, and 0460.
2. The following column instructions are deleted: (ab) through (ao).
3. The column section Account 1401 and Account 1402 is deleted and replaced with the following: "Investment in Affiliated and Nonaffiliated Companies – Investments as defined in Section 32.1410 (a) through (e) of the Commission's Rules."
4. The column section Account 1160 is deleted and replaced with the following: "Temporary Investments – Investments as defined in Section 32.1120 (e) of the Commission's Rules."
5. The column section Account 1180 is deleted and replaced with the following: "Account 1170 – Receivables as defined in Section 32.1170 of the Commission's Rules."
6. Column (q) – The following column is added: "Total – The sum of Columns (h), (l), and (p)."

D. Table B-5 – Analysis of Entries in Accumulated Depreciation

Report Definition – Form

1. The following rows are deleted: 0190, 0230, 0240, 0250, 0260, 0300, 0310 and 0440.
2. The following row titles are changed:
 - a. Row 0180 – "Office support equipment" to "Office equipment"
 - b. Row 0220 – "Analog electronic switching" to "Non-digital switching",
 - c. Row 0290 – "Satellite and earth station facilities" to "Radio systems", and
 - d. Row 0430 – "Submarine cable" to "Submarine & deep sea cable".
3. The following rows are added:
 - a. Row 0235 – Digital electronic switching – circuit,
 - b. Row 0237 – Digital electronic switching – packet,
 - c. Row 0305 – Circuit equipment – electronic, and
 - d. Row 0307 – Circuit equipment – optical.

Report Definition – Row/Column Instructions

1. The following row instructions are deleted: 0190, 0230, 0240, 0250, 0260, 0300, 0310 and 0440.

2. The following row titles are changed:
 - a. Row 0180 – “Office Support Equipment” to “Office equipment”
 - b. Row 0220 – “Analog Electronic Switching” to “Non-digital switching”,
 - c. Row 0290 – “Satellite and Earth Station Facilities” to “Radio systems”, and
 - d. Row 0430 – “Submarine Cable” to “Submarine & deep sea cable”.
3. Row 0235 – The definition of this row is added to read: “Digital electronic switching – circuit – Enter the amount for this category.”
4. Row 0237 – The definition of this row is added to read: “Digital electronic switching – packet – Enter the amount for this category.”
5. Row 0270 – The definition of this row is revised to read: “Total Central Office Switching – Enter the total of Rows 0220 through 0237.”
6. Row 0305 – The definition of this row is added to read: “Circuit equipment – electronic – Enter the amount for this category.”
7. Row 0307 – The definition of this row is added to read: “Circuit equipment – optical – Enter the amount for this category.”
8. Row 0320 – The definition of this row is revised to read: “Total Central Office – Transmission – Enter the total of Rows 0290 through 0307.”
9. Column (f) – The definition of this column is revised to read: “Retirements With Traffic - Enter the amount charged to accumulated depreciation associated with plant retired with traffic for each row. **Note: This column is only used to reflect the sale of depreciable property with traffic. Enter only the estimated amount of accrued depreciation. The remaining undepreciated plant value is reported in Account 7300, Nonoperating income and expense.**”

E. Table I-1 – Income Statement Accounts

Report Definition – Form

1. The following rows are deleted: 5002 – 5004, 5050, 5069, 5084, 5100 – 5169, 5200, 5240 – 5270, 5301, 5302, 6215, 6425, 6612, 6710, 6711, 6712, 6721 – 6728, 7110 – 7160, 7310 – 7370, 7410 – 7450, 7510 – 7540, and 7610 – 7640.
2. The following section row titles are deleted:
 - a. Long Distance (LD) Network Service Revenues,
 - b. Corporate Operations,
 - c. Other Operating Income and Expense,
 - d. Nonoperating Income and Expense,
 - e. Nonoperating Taxes,
 - f. Interest and Related Items,
 - g. Extraordinary Items, and

- h. Jurisdictional Difference & Nonregulated Income.
3. The following section title is changed: Local Network Revenues” to “Local Network Services Revenues”.
 4. The following row titles are changed:
 - a. Row 5060 – “Other local exchange revenue” to “Other basic area revenue”,
 - b. Row 6110 – “Network support” to “Network Support Expenses”,
 - c. Row 6120 – “General support” to “General Support Expenses”,
 - d. Row 6210 – “Central office-switching” to “ Central Office Switching Expenses”,
 - e. Row 6211 – “Analog electronic” to “Non-digital switching expense”,
 - f. Row 6212 – “Digital electronic” to “Digital electronic switching expense”,
 - g. Row 6220 – “Operator systems” to “Operator system expense”,
 - h. Row 6230 – “Central office-transmission” to Central Office Transmission Expenses”,
 - i. Row 6310 – “Information origination/termination expense” to “Information Origination/Termination Expenses”,
 - j. Row 6341 – “Large PBX” to “Large private branch exchange expense”,
 - k. Row 6410 – Cable and wire” to Cable and Wire Facilities Expenses”,
 - l. Row 6424 – “Submarine cable” to “Submarine and deep sea cable expense”,
 - m. Row 650 – “Total Plant Specific Operations” to Total Plant Specific Operations Expenses”,
 - n. Row 6510 - - “Other property and equipment expense” to “Other Property and Equipment Expenses”,
 - o. Row 6530 – “Network operations” to “Network Operations Expenses”,
 - p. Row 6540 – “Access” to Access expense”,
 - q. Row 690 – “Total Plant Nonspecific Operations” to Total Plant Nonspecific Operations Expenses”,
 - r. Row 6610 – “Marketing expense” to “Marketing Expenses”,
 - s. Row 6611 – “Product management” to “Product management and sales expense”,
 - t. Row 700 – “Total Customer Operations” to Total Customer Operations Expenses”,
 - u. Row 6790 – “Provision for uncollectible notes” to “Provision for uncollectible notes receivable”,
 - v. Row 7200 – “Operating taxes” to “Operating Taxes”, and
 - w. Row 790 – “Net income” to “Net Income.”
 - x. Rows 615, 625, 635, 6121 – 6124, 6211, 6212, 6231, 6232, 6311 – 6362, 6411 – 6441, 6511, 665, 6531 – 6533, 675, 685, 6561 – 6565, 6611, 6613, and 6621 – 6623, add “expense” for each row title.
 5. The following rows are added:
 - a. Row 526 – Miscellaneous revenue,
 - b. Row 527 – Total Miscellaneous Revenues,
 - c. Row 6212.1 – Circuit switching expense,
 - d. Row 6212.2 – Packet switching expense,
 - e. Row 6232.1 – Electronic circuit expense, and
 - f. Row 6232.2 – Optical circuit expense.
 6. Row 510 is changed to Row 5001 and the row title is changed from “Basic Local Service Revenue” to “Basic area revenue.”

7. Row 525 is changed to Row 5100 and the row title is changed from "LD Network Services Revenues" to "Long distance message revenue."
8. Row 5080 – Network Access Revenues is changed to Row 522 – Network Access Services Revenues.

Report Definition – Row/Column Instructions

1. The following general instruction is revised to read: "Every row item is not described below. Those rows omitted from the following instructions are Part 32 accounts and the amounts entered for these accounts should be reported pursuant to our Part 32 Rules. The following descriptions apply to those rows that are summarizations or need further clarification. Four digit row numbers indicate that there is a Part 32 account bearing the same number and title. Unless otherwise indicated, three digit row numbers indicate that there is no comparable Part 32 account."
2. The following row instructions are deleted: 510, 5100, 5110, 5120, 5200, 525, 5260, 5300, 6710, 6720, 7100, 7300, 7400, 7500, and 7600.
3. Row 520 – The definition of this row is revised to read: "Local Network Services Revenues (Account 5000) - This amount equals the total of Rows/Accounts 5001, 5040, and 5060."
4. Row 5080 – The row number and definition of this row is revised to read: "Row 522 – Network Access Service Revenue - This amount equals the total of Rows/Accounts 5081 through 5083."
5. Row 526 – The definition of this row is added to read: "Miscellaneous Revenue – This amount equals the total of Account 5200. **Note:** The amount reported in this row excludes Account 5230."
6. Row 527 – The definition of this row is added to read: "Total Miscellaneous Revenues – This amount equals the total of Accounts 5200 and 5230 (Total of Rows 5230 and 526)."
7. Row 530 – The definition of this row is revised to read: "Total Operating Revenues – This amount equals the total of Rows/Accounts 520, 522, 5100, 527, 5280, less 5300."
8. Row 6212 – The definition of this row is added to read: "Digital Electronic Switching – This amount equals the total of Rows/Accounts 6212.1 and 6212.2."
9. Row 6210 – The definition of this row is revised to read: "Central Office-Switching – This amount equals the total of Rows/Accounts 6211 and 6212."
10. Row 6232 – The definition of this row is added to read: "Circuit Equipment – This amount equals the total of Rows/Accounts 6232.1 and 6232.2."
11. Row 710 – The definition of this row is revised to read: "Total Corporate Operations - This amount equals the total of Rows/Accounts 6720 and 6790."

12. Row 790 – The definition of this row is revised to read: “Net Income - This amount equals the total of Rows/Accounts 730, 7100, 7300, 7600, 7910, and 7990, less 7200, 7400, and 7500. This amount should also equal Table B-1, Row 465.”

F. Table I-6 – Special Charges*Report Definition – Form*

1. Row 0250 – The row title is changed from “All Other Items in the Aggregate” to “All Other Special Charges.”
2. Row 0270 – The row title is changed from “Total of Account 7370” to “Total.”

Report Definition – Row/Column Instructions

1. Row 0100 – The definition of this row is revised to read: “Lobbying Expenses - Enter the amount charged to Account 7300 that reflects lobbying expenses, as defined in Section 32.7300 (h)(1) of the Commission's Rules.”
2. Row 0200 – The definition of this row is revised to read: “Membership Fees and Dues - Enter the amount charged to Account 7300 that reflects membership fees and dues as defined in Section 32.7300 (h)(3) of the Commission's Rules.”
3. The row section “Abandoned Construction Projects Amounting to \$500,000 or More” is revised to read: “Abandoned Construction Projects Amounting to \$500,000 or More - The cost of construction projects that have been abandoned during the reporting period, as defined in Section 32.7300 (h)(5) of the Commission's Rules.”
4. Rows 0210 through 0218 – The definition of this section is revised to read: “Each of these rows is provided for entry of data associated with abandoned construction projects. Use one row for each item amounting individually to \$500,000 or more.”
5. Row 0220 - The definition of this row is revised to read: “Telecommunications Plant Acquisition Adjustments - Enter the debit amount of telecommunications acquisition adjustments charged to Account 7300, as defined in Section 32.2005 (b)(1) of the Commission's Rules.”
6. The row section “Penalties and Fines Amounting to \$500,000 or More” is revised to read: “Penalties and Fines Amounting to \$500,000 or More - The amount of penalties, fines or lawsuit settlements that have occurred during the reporting period as defined in Section 32.7300 (h)(4) of the Commission's Rules.”
7. Rows 0230 through 0238 – The definition of this section is revised to read: “Each of these rows is provided for entry of data associated with penalties and fines. Use one row for each item amounting individually to \$500,000 or more.”

**Summary of Changes
FCC Report 43-02**

December 2003

**APPENDIX
Page 11 of 21**

8. Row 0240 – The definition of this row is revised to read: “Charitable, Social or Other Community Welfare - Enter the total amount of charitable, social or other community welfare charged to Account 7300, as defined in Section 32.7300 (h)(2) of the Commission’s Rules.”
9. Row 0250 – The definition of this row is revised to read: “All Other Special Charges - Enter total amount of special charges that were not included in Rows 0200 through 0239.”
10. Row 0270 – The row title is changed from “Total of Account 7370” to “Total.”

G. Table I-7 – Donations or Payments for Service Rendered by Persons Other than Employees*Report Definition – Row/Column Instructions*

1. Rows 1501 through 1598 – The definition of this section is revised to read: “Each of these rows is provided for entry of data associated with payments for membership fees and dues in associations of telecommunications companies, trade, technical and professional associations, and other organizations charged to operating expenses; and social and athletic clubs, service clubs, and other organizations charged to Account 7300. Use one row for each recipient to whom payments exceeding \$50,000 were made.”

PART III — Summary of changes to FCC Report 43-03 (The Joint Cost Report)**A. Table I – Regulated/Nonregulated Data***Report Definition – Form*

1. The following rows are deleted: 5002 – 5004, 5050, 5069, 5084, 5100 – 5169, 5200, 5240 – 5270, 5301, 5302, 6215, 6425, 6612, 6710, 6711, 6712, 6721 – 6728, 7110 – 7160, 7310 – 7370, 7510 – 7540, 7610 – 7640, 1439, 2215, 2425, 3400, 3420, 3500, 3600, 4120, 4310, and 4360.
2. The following section row titles are deleted:
 - a. Toll Network Services,
 - b. Uncollectible,
 - c. Corporate Operations,
 - d. Other Operating Inc/Exp,
 - e. Nonoperating Inc/Exp,
 - f. Interest & Related Items, and
 - g. Accumulated Amortization.
3. The following section title is changed: Local Network Service” to “Local Network Services.”
4. The following row titles are changed:
 - a. Row 5040 – “Local private line” to “Local private line revenue”,
 - b. Row 5060 – “Other local exchange revenue” to “Other basic area revenue”,
 - c. Row 520 – “Local network services” to “Local network services revenues”,
 - d. Row 5081 – “End user” to “End user revenue”,
 - e. Row 5082 – “Switched access” to “Switched access revenue”,
 - f. Row 5083 – “Special access” to “Special access revenue”,
 - g. Row 5230 – “Directory” to “Directory revenue”,
 - h. Row 5280 – “Nonregulated” to “Nonregulated operating revenue”,
 - i. Row 6110 – “Network support” to “Network support expenses”,
 - j. Row 6120 – “General support” to “General support expenses”,
 - k. Row 6210 – “Central office switching” to “Central office switching expenses”,
 - l. Row 6211 – “Analog electronic” to “Non-digital switching expense”,
 - m. Row 6212 – “Digital electronic” to “Digital electronic switching expense”,
 - n. Row 6220 – “Operator systems” to “Operator systems expenses”,
 - o. Row 6230 – “Central office transmission” to “Central office transmission expenses”,
 - p. Row 6310 – “Information O/T” to “Information O/T expenses”,
 - q. Row 6410 – “Cable and wire facilities” to “Cable and Wire Facilities Expenses”,
 - r. Row 6424 – “Submarine cable” to “Submarine and deep sea cable expense”,
 - s. Row 6560 – “Depreciation/Amortization” to “Depreciation/Amortization expenses”,
 - t. Row 6610 – “Marketing expense” to “Marketing expenses”,
 - u. Row 6611 – “Product management” to “Product management and sales expense”,
 - v. Row 6620 – “Service expense” to “Service Expenses”,
 - w. Row 6790 – “Provision uncollectible note” to “Provision for uncollectible notes receivable”,

Summary of Changes
FCC Report 43-03

December 2003

APPENDIX
Page 13 of 21

- x. Row 1438 – “Deferred maintenance and retirements” to “Deferred maintenance, retirements and other deferred charges”,
 - y. Row 2211 – “Analog electronic switching” to “Non-digital switching”,
 - z. Row 2341 – “Large PBX” to “Large private branch exchange expense”,
 - aa. Row 2424 – “Submarine cable” to “Submarine and deep sea cable”, and
 - bb. Rows 6112 – 6114, 6121 – 6124, 6231, 6232, 6311 – 6362, 6411 – 6441, 6511, 6512, 6531 – 6535, 6561 – 6565, 6613, and 6621 – 6623, add “expense” for each row title.
5. The following section row title is changed: “Accumulated Depreciation” to “Accumulated Depreciation and Amortization.”
 6. The following rows are added:
 - a. Row 526 – Miscellaneous revenue,
 - b. Row 527 – Total Miscellaneous Revenues, and
 - c. Row 4300 – Other long-term liabilities and deferred credits.
 7. Row 510 is changed to Row 5001 and the row title is changed from “Basic Local Service Revenue” to “Basic area revenue.”
 8. Row 525 is changed to Row 5100 and the row title is changed from “LD Network Services Revenues” to “Long distance message revenue.”
 9. Row 5080 – Network Access Revenues is changed to Row 522 – Network access services revenues.
 10. Column (m), Subject to Separations – The following cell is no longer “N/A”: Row 3410.

Report Definition – Row/Column Instructions

1. The following row instructions are deleted: 510, 5100, 5110, 5120, 5200, 525, 5260, 5300, 6710, 6720, 7100, 7300, 7400, 7500, 7600 and 3400.
2. Row 520 – The definition of this row is revised to read: “Local Network Services Revenues - This amount equals the total of Rows/Accounts 5001, 5040, and 5060.”
3. Row 5080 – The row number and definition of this row is revised to read: “Row 522 – Network Access Services Revenues - This amount is the total of Rows/Accounts 5081 through 5083.”
4. Row 526 – The definition of this row is added to read: “Miscellaneous Revenue – This amount equals the total of Account 5200. **Note:** The amount reported in this row excludes Account 5230.”
5. Row 527 – The definition of this row is added to read: “Total Miscellaneous Revenue – This amount equals the total of Accounts 5200 and 5230.”
6. Row 530 – The definition of this row is revised to read: “Total Operating Revenues - This amount is the total of Rows/Accounts 520, 522, 5100, 527, 5280, less Row 5300.”

7. Row 6210 – The definition of this row is revised to read: “Central Office-Switching - This amount is the total of Rows/Accounts 6211 and 6212.”
8. Row 720 – The definition of this row is revised to read: “Total Operating Expenses - This amount is the total of Rows/Accounts 6110, 6120, 6210, 6220, 6230, 6310, 6410, 6510, 6530, 6540, 6560, 6610, 6620, 6720, and 6790.”
9. Row 2210 – The definition of this row is revised to read: “Central Office - Switching - This amount equals the total of Rows/Accounts 2211 and 2212.”
10. Row 370 – The definition of this row is revised to read: “Total Investment - This amount equals the total of Rows/Accounts 2001, 2002, 2003, 2005, 1220, 1410, 1438, 1500, and 230.”
11. Row 495 – The definition of this row is revised to read: “Total Reserve - This amount equals the total of Rows/Accounts 3100, 3200, 3410, 4100, 4300, 4340, 4040, and 4370.”
12. Column (c) – The definition of this column is revised to read: “Direct - Regulated - This amount reflects that portion of each itemized account that is directly assigned and/or directly attributed to regulated activities based on a direct measure of cost causation.”
13. Column (d) – The definition of this column is revised to read: “Direct - Nonregulated - This amount reflects that portion of each itemized account that is directly assigned and/or directly attributed to nonregulated activities based on a direct measure of cost causation.”
14. Column (e) – The definition of this column is revised to read: “Indirect - Regulated - This amount reflects that portion of each itemized account that is indirectly attributed to regulated activities based on an indirect measure of cost causation.”
15. Column (f) – The definition of this column is revised to read: “Indirect - Nonregulated - This amount reflects that portion of each itemized account that is indirectly attributed to nonregulated activities based on an indirect measure of cost causation.”
16. Column (m) – The definition of this column is revised to read: “Subject to Separations - This amount reflects that portion of each account which must be allocated between state and interstate jurisdictions (Column (i) less Column (k), except for Rows 230 and 370).”

PART IV — Summary of changes to FCC Report 43-04 (The Access Report)**A. Table I – Separations and Access Table***Report Definition – General Instructions*

1. Item 3 – This section is revised to read: “In order to preserve its linear integrity, adjustments to accommodate reallocation of common power costs in Part 36 from the assignment method in Part 32 must be completed before entering data in this report. If these adjustments are not made prior to entering the data in this report, columns (i) plus (n) plus (o) plus (q) plus (r) will not equal column (d) for Rows 1112 through 1410.”

Report Definition – Form

1. The following rows are deleted: Rows 4013, 3220, 3230, 3240, 3250, 3260, and 3270.
2. Column (c), State – The following cells are no longer “N/A”: Rows 4010, 4011, and 4012.
3. Row 7330 – Corporate Operations Expense – EAS – Directly Assigned Exchange – The following columns are now “N/A”: Columns (i) through (o).
4. Allocation Reference Table has been updated, as shown below.

Allocation Reference Table for the
FCC Report 43-04 – Separations and Access Table (I)

Row	Allocation Basis		Row	Allocation Basis		Row	Allocation Basis	
	Part 36	Part 69		Part 36	Part 69		Part 36	Part 69
30	83		3300	1170	1170	6040	1170	1170
40	83		3310	1400	1400	6050	1400	1400
44	83		3320	1440	1440	6060	1440	1440
46	83		3330	1530	1530	6070	1530	1530
84	83		3332	2194	2194	6080	2190	2190
1000	1001	1003	3350	1000	1000	6100	1000	1000
1252	1223		3360	3021	3021	6110	3021	3021
1420	1276		3370	1170	1170	6230	1000	2131
1455	1276		3380	1400	1400	6250	2161	2131
1472	1233		3390	1440	1440	6252	2194	2194
1498	1323		3400	1530	1530	7000		2131
1522	1393		3402	2194	2194			Note 3
2001	1000	1000	3421		2131	7331	1001	Note 4
2003	3021	3021	3422	2194	2131	8003	2194	
2013		2194	3423	2194	2131	8005		2131
2070	1000		4002	1223		8010	8011	2131
2160		2131	4020	1223		8015	2194	2131
2210	2194	2131	4062	2194				
2224	1530	2131	4064		2131			
2230		2131	4070	2191	2131			
2250		2131	4072	7334	2131			
3010	1000	1000	4080	2020	2131			
3030	1170	1170	5000	1000	2131			
3040	1400	1400	5010	1000	1000			
3050	1440	1440	5026	1410	Note 1			
3060	1530	1530	5042	1276	1426			
3070	2190	2190	5076	1530	1530			
3090	1000	1000	6000	2194	Note 2			
3100	3021	3021	6010	Note 2	Note 2			
3280	1000	1000	6020	1000	1000			
3290	3021	3021	6030	3021	3021			

Note 1 – CO Maintenance Expense Accounts 6210, 6220, and 6230 are allocated on CO Investment Accounts 2210, 2220, and 2230 respectively, per Section 69.401(b).

Note 2 – OPP Expense (Account 6510) and Networks Operations Expense (Account 6530) are allocated on COE, IOT, and C&WF investment (Rows 1410, 1440, and 1530) combined, per Sections 36.353(b) and 69.401(d).

Note 3 – Excluding Billing and Collections

Note 4 – Corporate Operations Expense is allocated on Big 3 Expenses, per Sections 69.2(e) and 69.2(f).

Report Definition – Row/Column Instructions

1. The following row instructions are deleted: Rows 4013, 3220, 3230, 3240, 3250, 3260, and 3270.
2. Row 4010 – The definition of this row is revised to read: “End User Revenue that is directly assigned pursuant to Sections 36.213(b) and 36.213(e).”
3. Row 4011 – The definition of this row is revised to read: “Switched Access Revenue that is directly assigned pursuant to Sections 36.213(c) and 36.213(e).”
4. Row 4012 – The definition of this row is revised to read: “Special Access Revenue that is directly assigned pursuant to Sections 36.213(d) and 36.213(e).”
5. Row 4014 – The definition of this row is revised to read: “Total Network Access Services Revenue, total of Rows 4010, 4011, and 4012 including amounts that are allocated pursuant to Part 69.”
6. Row 6230 – The definition of this row is revised to read: “Amortization expense of leasehold improvements associated with General Support Facilities which are allocated pursuant to Sections 36.112, 36.361(b), 69.307, and 69.401(f).”
7. Row 3430 – The definition of this row is revised to read: “Total Reserves and Deferrals, the total of Rows 3000, 3080, 3150, 3340, 3410, 3420, 3421, 3422, and 3423.”

PART V — Summary of changes to FCC Report 43-05 (The Service Quality Report)**A. Table IV – Total Switch Downtime***Report Definition – Column Instructions*

1. The following definition is revised to read: “Switch Downtime – Switch downtime occurs when all call processing capability for an end office is lost. Multiple serial outages at a single switch are to be counted as multiple individual outages if service is restored, even momentarily, between them.”

B. Table IV-A – Occurrences of Two Minutes or More Duration Downtime*Report Definition – Row/Column Instructions*

1. The following definition is revised to read: “Rows 0220 through 1040 – Each of these rows, with the exception of Rows 0320 through 0340 which are in Table V, is provided for entry of one occurrence of switch downtime (complete loss of all call processing capability) of two or more minutes in duration. For each occurrence use one row, entering the appropriate data in the columns provided. Include only those rows with data to be reported, but complete every item in those rows. Use the rounding conventions specified in the column instructions when entering these data.”
2. Column (t) - Cause, item 01 – scheduled, is revised to read: “includes outages, restarts, phases, etc. resulting from scheduled or planned manual initializations. This includes such activities as parameter loads, software/firmware/hardware changes, and other OA&M activities.”

PART VI — Summary of changes to FCC Report 43-07 (The Infrastructure Report)**A. Table I – Switching Equipment***Report Definition – Form*

1. The title of Row 0150 is changed as follows: “Total NDSPC Switches”.
2. The title of Row 0160 is changed as follows: “NDSPC Lines Served”

Report Definition – Row/Column Instructions

1. The title and definition of Row 0150 are changed as follows: “Row 0150 - Total NDSPC Switches – Enter in whole numbers, the total quantity of local and tandem Non-Digital Stored Program Controlled Switches.”
2. The title and definition of Row 0160 are changed as follows: “Row 0160 - NDSPC Lines Served – Enter in whole numbers, the total quantity of lines served by Non-Digital Stored Program Controlled Switches.”

B. Table II – Transmission Facilities*Report Definition – Form*

1. The title of Row 0470 is changed as follows: Copper Pairs Terminated at the Main or Other Equivalent Frame (Loop Plant Only).

Report Definition – Row/Column Instructions

1. The section entitled “Loop Plant – Central Office Terminations” located below Row 0330, is revised to read: “LOOP PLANT - CENTRAL OFFICE TERMINATIONS – The quantities reported in Rows 0370 through 0460, expressed as 4 kHz channels, refer to facilities that connect end user customers with their serving wire centers / central offices. This measure also includes the “local channel” portions of Special Access / private line / special services connecting end user customers with their serving wire centers or central offices. However, “Local Loop Plant” excludes facilities connecting serving wire centers / central offices to interexchange carrier (IXC) or other access customer points of presence (POP) because these channels are considered interoffice circuits. For Row 0390, working fiber digital carrier, and Row 0440, equipped fiber digital carrier, do not include channel counts for optical carrier that is terminated at end user/customer premises. Instead, count channels from these systems, as instructed, in Row 0484, Fiber Terminated at Customer Premises at DS3 Rate or Higher.”
2. Row 0370 – Total Working Channels – The definition of this row is revised to read: “Working Channels are on a 4 kHz bandwidth (single voice channel) basis. Working channels originating from a remote switch are treated the same as if the channels originated in the host central office. This amount equals the sum of Rows 0380, 0390, and 0410. Enter in whole numbers.”

3. Row 0380 – Copper – The title of this row is revised as shown. The definition of this row is revised to read: “Enter the number of working channels on copper facilities and systems. Use whole numbers. This amount equals the sum of Rows 0381, 0382, and 0383.”
4. Row 0381 – Baseband – The definition of this row is revised to read: “Enter the number of working channels on copper baseband facilities. Use whole numbers. Do not include copper facilities used to provide the carrier systems reported in Row 0382, Analog Carrier, and in Row 0383, Digital Carrier.”
5. Row 0382 – Analog Carrier – The definition of this row is revised to read: “Enter the number of working channels on copper analog carrier systems. Use whole numbers.”
6. Row 0383 – Digital Carrier - The definition of this row is revised to read: “Enter the number of working channels on copper-fed digital loop carrier systems. Use whole numbers.”
7. Row 0390 – Fiber Digital Carrier – The definition of this row is revised to read: “Enter the number of working channels on fiber-fed digital loop carrier systems. Use whole numbers. Do not include DS-1 or higher speed services to the customer premises, even if provided via fiber-fed digital loop carrier systems. Count the DS-1 services in Row 0482, DS1s Terminated at Customer Premises, and the higher speed services in Row 0484, Fiber Terminated at the Customer Premises at DS3 Rate or Higher.”
8. Row 0410 – Other – The definition of this row is revised to read: “Enter the number of other working channels. Use whole numbers. **Explain the data entered here in a footnote.**”
9. Row 0420 – Total Equipped Channels – The definition of this row is revised to read: “Equipped channels are on a 4 kHz bandwidth (single voice channel) basis. Equipped channels originating from a remote switch are treated the same as if the channels originated in the host central office. This amount equals the sum of Rows 0430, 0440, and 0460. Use whole numbers.”
10. Row 0430 – Copper - The definition of this row is revised to read: “Enter the number of equipped channels on copper facilities and systems. Use whole numbers. This amount equals the sum of Rows 0431, 0432, and 0433.”
11. Row 0431 – Baseband - The definition of this row is revised to read: “Enter the number of equipped channels on copper baseband facilities. Use whole numbers. Do not include copper facilities used to provide the carrier systems reported in Row 0432, Analog Carrier, and in Row 0433, Digital Carrier.”
12. Row 0432 – Analog Carrier – The definition of this row is revised to read: “Enter the number of equipped channels on copper analog carrier systems. Use whole numbers.”
13. Row 0433 – Digital Carrier - The definition of this row is revised to read: “Enter the number of equipped channels on copper-fed digital loop carrier systems. Use whole numbers.”
14. Row 0440 – Fiber Digital Carrier - The definition of this row is revised to read: “Enter the number of equipped channels on fiber-fed digital loop carrier systems. Use whole numbers. Do not include DS-1 or higher speed services to the customer premises, even if provided via fiber-fed digital loop carrier systems.”

15. Row 0460 – Other - The definition of this row is revised to read: “Enter the number of other equipped channels. Use whole numbers. Explain the data entered here in a footnote.”
16. Row 0470 – Copper Pairs Terminated at the Main or Other Equivalent Frame (Loop Plant Only) - The definition of this row is revised to read: “Enter the number of copper pairs terminated at the main frame or other equivalent frame in whole numbers. Include working and spare copper pairs regardless of their use (baseband facility or carrier system). Note: the quantity reported here in physical units is not equivalent to quantities expressed elsewhere in this report as 4 kHz channels. For example, count as two the number of physical pairs used to support a 24 channel digital loop carrier system provided on two pairs of copper wires in Row 0470, but count as 24 the number of derived channels on those pairs in Row 0383.”